Priori Capital Management

Q1 2026 Performance Report

Issued: 13 April 2026

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OVERVIEW

Key Figures

2026 YTD Return

-0.83%

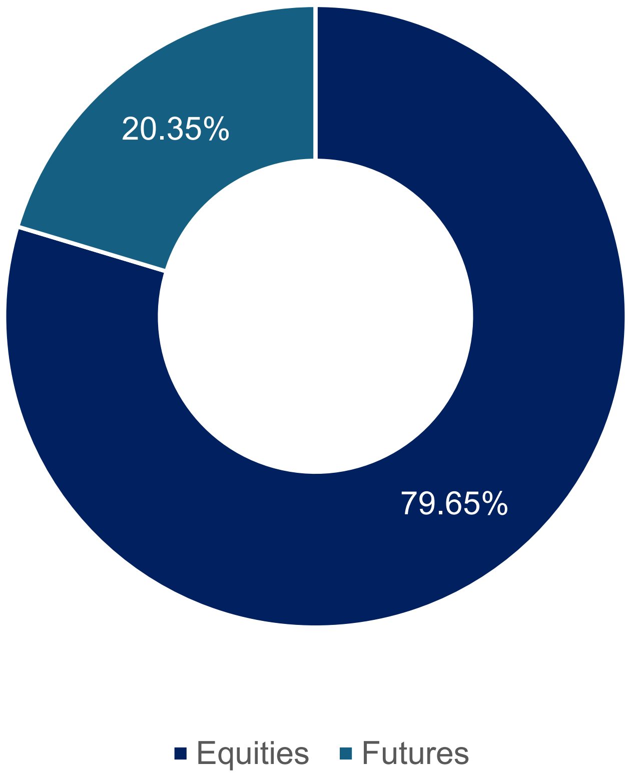
Q1 2026 Return

-0.83%

Q1 2026 Max Drawdown

-11.37%

Fund Allocation by Instrument



Q1 2026 Performance vs Benchmark

	Jan-26	Feb-26	Mar-26	Q1 2026	YTD
Priori	-3.84%	-3.56%	6.94%	-0.83%	-0.83%
Benchmark (SPY)	1.47%	-0.86%	-4.93%	-4.37%	-4.37%
Variance	-5.31%	-2.70%	11.87%	3.54%	3.54%

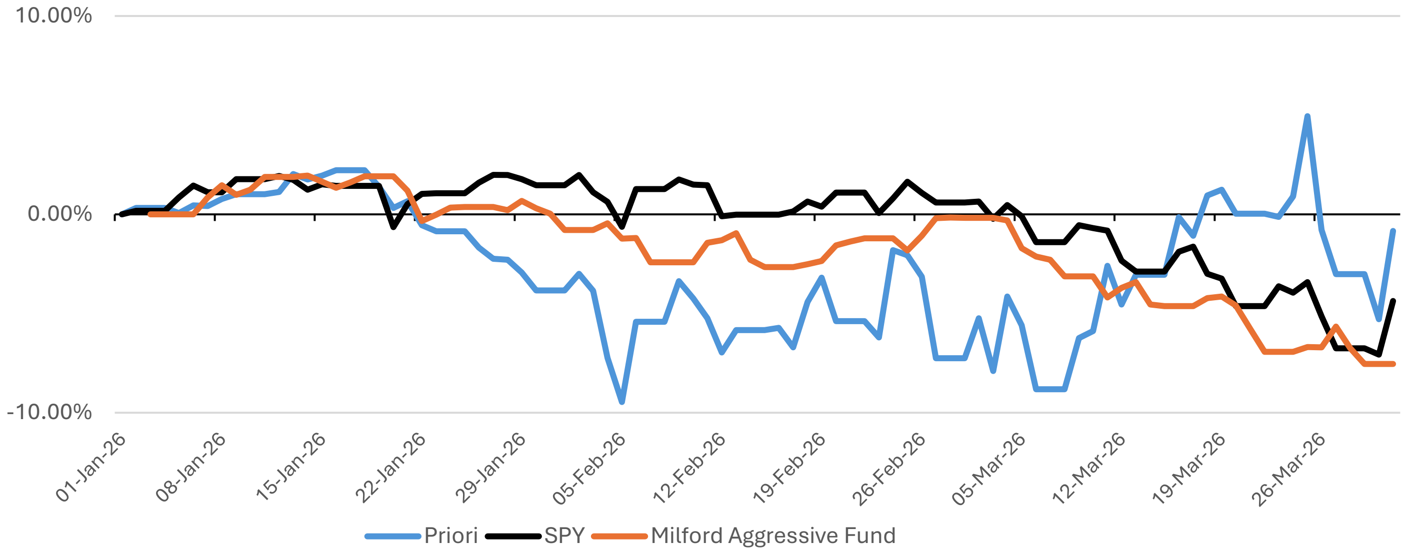
Source: *Interactive Brokers SPDR S&P 500 ETF*

Fund Managers Commentary

Priori successfully launched its inaugural fund for external investors on 1 January 2026. Since launch, the fund has onboarded capital from Australia (in addition to New Zealand) and is expected to expand into the UK later this year. The next opportunity for investment will be on 30 June 2026. During the first quarter of 2026, Priori outperformed its benchmark by 3.54%. For the 2025 calendar year, Priori materially outperformed its benchmark by 25.33%, delivering a total return of 43.05%.

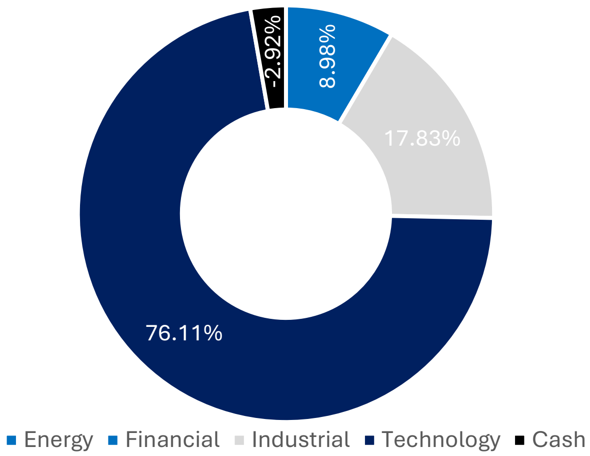
Q1 2026 PERFORMANCE

Q1 2026 Gross Return



Sources: *Interactive Brokers SPDR S&P 500 ETF, Milford Asset Management Aggressive Fund Performance*

Equities Allocation by Sector



Change (%) vs Previous Quarter by Sector	
Energy	-4.10%
Financial	+3.87%
Industrial	-4.61%
Technology	+7.84%
Cash	-3.00%

Fund Managers' Commentary

Equities and Options Review

Equities performed well in Q1, delivering a gross return of -0.83% and outperforming the benchmark by 3.54% – despite the portfolio generally being composed of higher-beta names, which would ordinarily suggest greater downside capture in a weak market. We are pleased with this result, which was driven by disciplined capital deployment, averaging in across the quarter, and strong stock selection alpha. Notably, one position on which we took profits generated a return of more than 100% during the quarter, helping to offset small drawdowns elsewhere in the portfolio. Investors remain focused on geopolitics, which we identified as a key risk in our last quarterly note, particularly in light of the conflict with Iran. We discuss this view further in our forthcoming intelligence report.

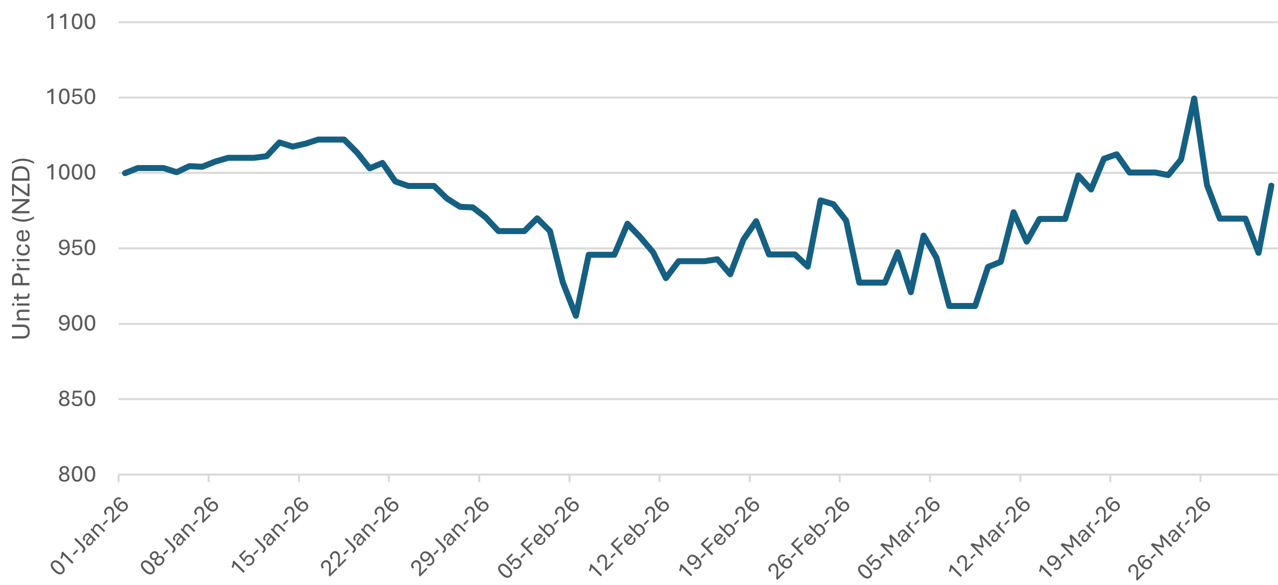
That said, we are not overly concerned by the current situation. Leverage across the portfolio remains low, and in our view much of the market impact appears to have already been realised. Should further market weakness occur, we would view it as an opportunity to continue deploying capital, particularly given corporate earnings remain near all-time highs and growth across AI-related companies continues to be strong.

In company-specific news, during the quarter AMD signed a second major deal, this time with Meta. The terms are similar to its OpenAI agreement, including milestone-based warrants for up to 160 million AMD shares and the supply of up to 6GW of AMD Instinct GPUs over five years. Revenue from this agreement is expected to commence in 2H 2026 and represents further meaningful validation of our investment thesis. We expect an additional agreement with at least one other major hyperscaler to follow later in the year. Options were generally avoided during Q1, as elevated implied volatility made pricing unattractive, aside from one moderately successful trade.

Futures/CFDs Review
Given sizing constraints at our current AUM, we elected to implement our futures strategy via CFDs in the interim to ensure alignment with our risk management framework. As Interactive Brokers does not offer CFD capability in New Zealand, we have been engaged in negotiations with multiple other prime brokers to secure appropriate terms for CFD execution. As a result, deployment of our directional trading strategy was temporarily deferred, and approximately 20% of our capital remained in cash during the quarter pending the outcome of those discussions.

We are confident that these arrangements will be finalised shortly and expect to begin deploying the strategy in Q2, positioning us to have this component of the portfolio in market in the near term.

Unit Price



Unit price as at 31/03/26 net of accrued tax and fees

This quarter, the Q1 fund's unit price has fallen to $991.61 from an initial issue price of $1,000, representing a return of -0.84% over the quarter (inclusive of accrued tax). No performance fee was accrued this quarter, as the unit price did not exceed its peak of $1,000 at issuance. This is in line with the fund's high water mark mechanics.

RISK METRICS

Risk-Adjusted Performance

	Priori	Benchmark	Variance
Sharpe Ratio	-0.04	-1.47	+1.43
Sortino Ratio	-0.06	-1.95	+1.89
Variance	-0.02	-0.48	+0.46

Sharpe and Sortino ratios provide complementary views of risk-adjusted performance. The Sharpe ratio measures return per unit of total volatility, while the Sortino ratio measures return per unit of downside volatility, ignoring upside movements that do not impair capital. For the quarter, Priori recorded a Sharpe ratio of -0.04 versus -1.47 for the benchmark, a difference of +1.43, and a Sortino ratio of -0.06 versus -1.95 for the benchmark, a difference of +1.89. The gap between the Sharpe and Sortino ratios within each series reflects the shape of returns: Priori's Sharpe and Sortino ratios are close together, indicating relatively balanced volatility with limited downside skew, whereas the benchmark's much more negative Sortino ratio highlights deeper and more frequent downside deviations. Overall, the differences across both ratios demonstrate that Priori delivered meaningfully superior risk-adjusted performance, preserving capital more effectively than the benchmark despite a challenging market backdrop.

Stock Concentration

Stock	Industry	% of book
A	Semiconductors / AI	35%
B	Data Centre Infrastructure / Cloud / AI	15%
C	Insurance	10%
D	Advertising	10%
E	Software	9%
F	Data Centre Infrastructure / Cloud / AI	8.5%
G	Non-disclosable Tech	6.5%
H	Data Centre Infrastructure / Cloud / AI	4.5%
I	Non-disclosable Tech	1.5%

Priori's top equity holdings in Q1 were concentrated across semiconductors, data centre infrastructure, and diversified technology. This positioning served the fund well, as these sectors were not materially affected by the Iran conflict beyond the broader macroeconomic spillover effects: higher energy prices, increased inflation expectations, a lower likelihood of rate cuts, and, in turn, a higher cost of capital for growth assets, which placed pressure on valuations and equity risk premiums.